Teja Wiggins-McKinney

1B

Economic Systems:

Traditional Economy

A traditional economy is a very underdeveloped economy that often depends on agriculture as its main base. A traditional economy is a system where traditions, customs and belief systems determine its operation. The majority of the individuals in traditional economies are in poverty. Many poor parts of Southern Mexico, South America, and Africa have a traditional economy.

Market Economy

A market economy is a free market system in which decisions regarding resource allocation, production, and consumption, and price levels and competition, are made by the individuals instead of the government. A market economy is based on supply and demand with little or no government control. It is also called a free market, market economy, or free market economy. A completely free market is an idealized form of a market economy where buyers and sellers are allowed to by, sell, trade, ECT. freely.

Command Economy

A Command Economy, also known as a central-planned economy, is when supply and price are regulated by the government rather than market forces. Government planners decide which goods and services are produced and how they are distributed. The state owns all property and controls all resources including land, labor, and even the capital in a command economy. It is highly centralized. The state’s rewards, wages, and perks are given out based on the social value of the service performed. The Soviet Union is an example of a command economy.

Mixed Economy

A mixed economy is a combination between a command and market economy. Both market forces and government intervention and direction are used to determine resource allocation and prices. In a typical mixed economy, the government may run such things as the postal service, rail lines, libraries, and in some cases, the health care service. [www.impotanceofphilosophy.com](http://www.impotanceofphilosophy.com) states that a mixed-economy is a sign of intellectual chaos. It is the attempt to gain the advantages of freedom without government having to give up its power. The U.S. economy is a mixed economy; while it relies on markets, governments also regulate some of the private economy.

Selva tropical

Economy:

Selva Tropical has a mixed economy. We chose this economy because we wanted to have control, yet we wanted our citizens to have a say, too. We felt that if we controlled everything our people did, they would revolt against us. We run things such as the postal services, monorails through the rain forest, libraries, and hospitals. We have full control over the money and how much the people will be taxed. Even we rulers pay some taxes, even more then what the citizens pay. We pay taxes just so our citizens will feel that we are being completely fair.

Selvanians control the smaller things, such as schools and their households. We even give each family a slave! We do not like to intervene with their lives unless we have to. Our main-goal is to keep our country living and happy. We want them to have as much say-so as possible so that we all can live in peace. They are even allowed to vote and have a say in what laws or rules we make. I guess you can say we have a democratic government.